GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:972
ANSWERED ON:25.11.2002
SETTING UP OF VEGETABLE AND HERBAL BASED AGRO INDUSTRIES
BHAWANA GAWALI (PATIL)

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the Government propose to set up vegetable and herbal products based Agro Industries in tribal belts like Orissa, Maharashtra etc. producing such products;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

(a) & (b): The Government by itself does not set up any industry. The decision to set up industries including those connected with vegetables and herbal products are left to the entrepreneurs. However, the Government through the Khadi and Village Industries Commission (KVIC) is already implementing the Rural Employment Generation Programme (REGP) throughout the country including the tribal belts of Orissa and Maharashtra States for promoting agro based industries including vegetable and herbal products based agro industries. Under this scheme, the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs. 10 lakhs and for the project above Rs. 10 lakhs and upto Rs. 25 lakhs, rate of margin money is 25% of Rs. 10 lakhs plus 10% on remaining cost of the project. In the case of SC/ST/ OBC/Women/ Physically Handicapped/Ex-Servicemen and Minority Community beneficiary / institution and for hill border and tribal areas, North Eastern Region, Sikkim, Andaman & Nicobar Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs but above this amount and upto Rs. 25 lakhs it is 30% of 10 lakhs plus 10% of the remaining cost of the project. Under this scheme, the beneficiary`s contribution is at least 10% of the project cost. In case of SC/ST and other weaker sections, beneficiary`s contribution is 5% of the project cost. This scheme is being implemented through Public Sector banks, Regional Rural Banks etc.Moreover, the Government on 14.05.2001, has announced a package for the promotion and development of Khadi and Village Industries (KVI) including agro based industries. The package consistsof Rebate Policy for khadi for five years, option of Rebate and Market Development Assistance (MDA), Insurance cover to Khadi artisans, emphasis on improvement of Khadi products, creation of packaging and design facilities, measures to promote marketing, brand building, cluster development etc. The package is under different phases of implementation.

(c): Does not arise.